previously proposed any way of reaching that goal. Since that veto, Mr. President, not surprisingly, given the predictions of what success would bring, failure has brought an increase in interest rates. Almost half of last year's gain has now been lost. The prospects of the good economics that result from a balanced budget are limited.

The President criticized the budget by reason of what it did to strengthen and preserve Medicare. Yet, just last week, his own Medicare trustees have said the very challenges in the Medicare system that last year's balanced budget was designed to cure have become not better, but worse. Even so, Mr. President, we now have a proposal from the administration called a ''balanced budget'' that has been severely, and I think appropriately, criticized by Members on this side of the aisle on the ground that it was not real.

Just yesterday in the Washington Post we saw an analysis of some elements of that proposal by a normally relatively liberal columnist who pointed out what we already knew, the President's budget for this year increases spending on a number of politically popular programs and proposes dramatic cuts in those programs next year and the year after. However, Mr. President, when his Cabinet Members in charge of administering those programs were asked how they would deal with those reductions in future years, they assured Members of Congress that, in fact, the President had privately assured that they would never, in fact, take place; that they were, in effect, phony figures designed to create a paper balance that never, in fact, would take place.

Now, Mr. President, we are faced with a dramatic choice: Do we vote in favor of the one proposed budget resolution now available to us that includes difficult but necessary policy decisions to reach this goal desired by so many Americans for so many good reasons, or do we continue to say, ''Not this one, not now, wait until next year, do it differently''?

Mr. President, I was one of the dozen Republican Members who joined with a dozen Democratic Members to come up with a different proposal, a bipartisan proposal, to reach the same goal in approximately the same period of time, a proposal that I thought at least in some respects to be superior to the one that is about to come to the floor of this U.S. Senate. Mr. President, that proposal received 46 affirmative votes out of 100 Members of the Senate. That is not quite enough. The reason that it did not quite go over the top was that the President of the United States rejected that proposal to exactly the same extent that he rejected the Republican proposal. He would not endorse it. He would not even say he would sign it if its enforcing legislation was to be passed.

So the first bipartisan attempt in a decade at solving this contracted budget problem has been rejected. Now we are faced with another proposal, almost as good, certainly plenty good enough to reach the goal, which is very, very likely to be passed by a strictly partisan vote, and then to have its enforcing legislation vetoed by the President of the United States. I regret that, Mr. President.

I hope during the course of the debate in the next 2 or 3 days some Members of the other party who worked so hard and so sincerely and so diligently on the bipartisan proposal will see the many similarities between their product, our product, and the one that is now before us, and will generously and with a good heart determine that if they cannot have perfection, they can certainly get—even from their own perspective, with our budget—a vastly superior program to that proposed by the President's administration. I hope that some of them at least will have courage enough to join with us to move the whole project forward, to help us see to it that we do something that we are enjoying to do, like no less a historic personage than Thomas Jefferson, as a matter of moral imperative, and something that will have such a tremendously positive impact on our children and grandchildren in general and generations yet to come, who do not have the right to vote in this fall's election, but who are our responsibility nevertheless.

Mr. President, this is a fine resolution. It is a courageous resolution. It is a moral resolution. It is an effective resolution. It should be passed, and it should be enforced.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I ask unanimous consent that time allocated to Senator DOMENICI in this period of time be allocated to me and that I may use as much time as I may require.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

GETTING BACK TO BASICS: NATO'S DOUBLE ENLARGEMENT

Mr. LUGAR. Mr. President, the visit to Washington of Lech Walesa, the former President of Poland, and the introduction of the NATO Participation Act on the floor of the Senate, suggests that it is time for the Senate to begin to seriously consider the future of the Atlantic Alliance.

It is a particularly important time to take stock of where we stand in the Alliance. Over the past 2 years, the Alliance has discussed and studied many issues ranging from enlargement to command reform to the broader structural reform of the Alliance in order to enable it to carry out new missions.

The time for discussing and studying is now coming to an end. Over the next 12 months, NATO must make decisions in three key areas which will cast the die for European security and the transatlantic relationship for the next decade.

Starting with last week's Ministerial meeting in Berlin, Alliance leaders must decide:

First, will NATO enlarge its membership, and what policies, recognition, and certainty should it give to countries which will not be included in the first selection?

Second, how will NATO reform itself internally to be able to carry out new missions? This includes article 5 defense commitments as well as other non-article 5 missions such as crisis management beyond Alliance borders.

Third, what should be the NATO relationship with Russia during the enlargement process? Should NATO build a parallel cooperative partnership with Moscow?

The ramifications of how well or poorly NATO does its job on these issues are far reaching. We are talking about the laying of the cornerstones of a new European peace order and building a new NATO which deserves that name not only in theory but in reality. If we succeed, we will have set the foundation for decades of European peace and prosperity. If we fail, historians may look back at the early post-cold-war period as a tragic loss of opportunities.

It is in this context that we must weigh the utility of legislative efforts such as the NATO Participation Act.

Above all, we must realize that we are headed into a historical debate over NATO's future, one that will reverberate for many years to come. It is a debate that will be public and which will undoubtedly be controversial—as befits an alliance of democracies wrestling with such important issues. Much of the discussion about the pros and cons of enlargement and other issues have been limited to elites and experts—along with the occasional Senator or Minister. That, too, is going to change.

I look forward to this public debate. I believe that we have an historical window of opportunity to take steps that will secure European peace and stability and which will lock in the freedom and independence won in the revolutions of 1989 and the collapse of communism. I believe that we will win this debate, both in the U.S. Senate and elsewhere in the Alliance, provided that we follow some simple, commonsense guidelines.

Before charting those guidelines, I want to review the basic questions we will undoubtedly face in the U.S. Senate, as well as in the parliaments of both NATO allies as well as candidate countries.

THE VISION THING

In the United States, our political leaders are often asked about what we call the vision thing. What is it you want to achieve and why? What is your vision and how will individual policies fit together with an overall set of objectives? As a U.S. Senator, I am often asked, by some of my colleagues and

constituents, why I am still so concerned about NATO and issues such as NATO enlargement now that the cold war is over.

The more distant we get from the heady days of the fall of the Berlin Wall and the collapse of communism, it is more clear that we entered a new era. Dangers still abound in post-cold-war Europe. The revolutions of 1989 not only led to the collapse of communism but also to the end of the peace orders established after two world wars. What is at stake here is order and stability in Europe as a whole. And that is why American interests are involved.

NATO cannot by itself solve all of Europe's problems. But without a stable security framework, we run the risk that the reform and democracy in the East of Europe will not persist but will instead be undercut by destructive forces of nationalism and insecurity. The failure of democracy in the East could not help but have profound consequences for democracy in the continent's western half as well. If history teaches us anything, it is that the United States is always drawn into such European conflicts because our vital interests are ultimately, albeit somewhat belatedly, engaged.

That, in a nutshell, is one reason why I have always been in favor of NATO enlargement. But this is only one reason and one part of my vision, which consists of what I want to prevent, and also what I want to build. I want to build a new transatlantic bargain of a unified and integrated Europe—whole and free—in permanent alliance with the United States. It is a vision of the United States and Europe in a partnership of equals devoted to managing the security of Europe as well as to the pursuit of common interests beyond Europe. The old transatlantic bargain which offered the Europeans a form of American protection in return for American influence must be replaced by a new transatlantic accord.

This is a vision for the Alliance that is no longer necessarily focused on or limited to Europe. This is also a vision for the Alliance that transcends the old cold-war rationale, namely—to deter and, if needed, defend Western Europe against a Soviet attack. It is a vision for a new covenant between the United States and Europe as a force for promoting Western values and interests in Europe and beyond. We need a new and much broader transatlantic agenda and dialog, one that focuses on where and how the United States and Europe can and should act together.

I was one of the earliest proponents in the Congress of NATO enlargement. But I always spoke of enlargement not in isolation but rather as part of a new security partnership between the United States and a unified Europe. The United States is a global power, a country with interests in Europe and beyond. It is also a country that increasingly requires like-minded allies and partners to manage that international security agenda. And as Americans look around, they see no better candidates than our European allies in NATO as that partner.

If this is the vision, then how do we get there? I like the phrase ''double enlargement'' to capture the twin processes of reform that I believe must take place. NATO must enlarge eastward to integrate the new democracies and it must expand its functional missions beyond border defense to include crisis management and perhaps peacekeeping beyond Alliance borders. In both cases, the Alliance must decide how far it wants to go, both in terms of new members and in terms of new missions. There is no escaping the fact that NATO must simultaneously reform in both areas if it is to successfully meet the challenges we are likely to face in the years ahead. It is a basic American interest that the Alliance not only enlarge to help stabilize Eastern Europe, but that enlargement be part and parcel of a broader transformation that turns Europe into an increasingly effective strategic partner of the United States in and beyond the continent.

CONDITIONS FOR SENATE RATIFICATION

One of the key questions for the NATO Alliance is whether NATO enlargement can be ratified in the U.S. Senate. Nearly every visitor I have in my office from Europe asks me this question. And it is a question about which I have thought a great deal in recent years. The easy answer is that, of course, enlargement is ratifiable—provided a number of preconditions are met. I am going to list my six commandments on what must be done to ensure successful ratification in the U.S. Senate.

But first I want to lay out several broader factors which I believe will help shape the debate in the U.S. Senate. First, the debate about NATO enlargement in the U.S. Senate will not only be about enlargement. It will be about the U.S. role in post-cold-war Europe. It will be about NATO—why we still need it, who should be in it, what it should do, and how it should be reformed.

This will be the first time that this set of issues will be debated at the national level since the end of the cold war. Although many voices in the United States, myself included, have been calling for such a national debate for some time, it simply has not happened. But the NATO enlargement issue is likely to be the catalyst for precisely such a debate. This makes some of my colleagues in Congress nervous. They fear that the isolationists of the left and the right will band together in some kind of unholy alliance to defeat the internationalist center in U.S. politics. In short, they fear that the NATO enlargement debate will kill NATO.

But I think they are wrong. Such a debate can have a very healthy and positive impact in terms of reaffirming the U.S. role in, and consolidating the American commitment to, the new post-cold-war Europe. And, equally important, it is an opportunity to initiate the broader transformation and revitalization of the alliance which is now clearly overdue.

Second, this debate will also be about Eastern and Central Europe and our moral, political, economic, and strategic stake in this part of the world. Several years ago there was a cartoon in an American magazine which showed a young boy pointing to a map and saying to his father: ''Eastern Europe, isn't that where the wars start?'' Eastern Europe is where two world wars, as well as the cold war, originated in this century. It is a part of Europe that has seen great injustices and enormous cruelty. It is a part of Europe that has had a disproportionate impact on the course of European and world history.

For some Americans, these are reasons to keep the United States out of future instability and possible conflicts—as if a policy of isolation would insulate and protect us from such instability. The lesson I draw is exactly the opposite. The best way to ensure that the United States must never fight a war again over Eastern Europe is to anchor and integrate Eastern Europe into the West once and for all. We must do for Eastern Europe what we did together for Western Europe in the early post-war period—make it secure and integrate it into a broader trans-Atlantic community.

How important is Eastern Europe to the United States? A growing number of Europeans are trying to analyze the size of the Polish ethnic vote, or the political clout of the Baltic-American community and what role they will play in the United States Senate debate. Will the NATO enlargement issue, it is sometimes asked, be the swing issue in key battleground States in the U.S. Presidential race? While interesting, I think all these questions miss the real point. Eastern Europe is important to the United States because it is here that the future destiny of the European Continent will be decided. Eastern Europe, in many ways, holds the key to the future stability of the continent. That is why it is a vital U.S. interest.

The third reason I believe that Senate ratification will happen is that the arguments of the opponents of enlargement can be met and subdued. But let's take a closer look at them, for they will be part of the debate. Critics insist, first and foremost, that the U.S. Senate will not be willing to extend a security guarantee to Eastern Europe. They cite the divisive debates we have seen on Somalia, Haiti, and Bosnia as proof that Americans are tired of foreign commitments.

What these critics overlook is the basic difference between Bosnia and Poland as well as the lesson we should learn from the Bosnia experience. Poland's future stability is seen as central to that of Europe as a whole. Rightly or wrongly, Bosnia's was not. I wish it had been otherwise. But one

simply cannot compare the issue of extending a security guarantee to a pro-Western democracy like Poland with the confusing debate we had about what to do as Yugoslavia broke up. This was a conflict whose causes were poorly understood, where the stakes for the United States were not always comprehended, where the United Nations was involved with a confusing mandate and a morally ambiguous set of policies and where the military, political, and humanitarian options of the West were extremely difficult. The lesson from Bosnia is not that we should reject NATO enlargement. It is that the West needs to take steps to prevent the rise of such destructive nationalism and ethnic hatred and we must enlarge NATO to stabilize Eastern Europe before other disasters are imminent.

Moreover, in many ways the West already has an implicit security guarantee to a country like Poland. Can we really imagine the West today not coming to Poland's defense if it were ever to be threatened again? I, for one, cannot. And because I cannot, I think that we must codify that commitment through NATO in order to make sure that it is credible and that deterrence works. If ever confronted with the question of whether the West will stand by Poland or once again betray it to those who seek to do it harm, I believe that the United States, including my colleagues in the Senate, will do the right thing.

The second major reason critics cite against enlargement is cost. Of course NATO enlargement will cost money and resources. But the costs of enlargement may not pose as large an obstacle as some assume. Let us not forget that there are also costs in not enlarging. And alliances save money. By pooling our resources together, we are able to collectively defend our common interests less expensively.

How much NATO enlargement will cost will depend in large part upon how the alliance decides to defend and reassure new members. Because there is no immediate threat to these countries, the alliance can afford to adopt a light defense posture backed up by the ability to reinforce in the region during a crisis. Moreover, the costs of building such a posture can be spread over an extended period. A recent study conducted by the Rand Corp. clearly shows that the costs of enlargement can be kept manageable and spread across the alliance.

The package proposed in the Rand study, for example, could cost an estimated $30 to $40 billion for the alliance as a whole—both new and old members spread over a 10- to 15-year period. While these numbers may seem large, bear in mind, for example, that the cost of building and operating one U.S. Army division for a 10-year period is estimated at $60 billion. In any event, the alliance will be spending a considerable amount of money for defense over the next 10 to 15 years, and the costs of enlargement are unlikely to amount to more than 1 to 2 percent of planned defense spending. The point here is that enlargement is affordable if handled properly, done in a step-by-step fashion and if the costs are spread fairly among both old and new members.

The third reason critics cite against enlargement is the claim that enlargement will only draw new lines in Europe and alienate Moscow. But let us not pretend that lines don't already exist in Europe. What I have never understood about this argument is why these critics are so attached to and nostalgic about the old artificial cold war lines, lines drawn by the acts of Hitler and Stalin over 50 years ago. Expanding and consolidating democracy in the East is not drawing new lines. If allowing new democracies in the East to seek entry into the alliance of their choice is an exercise in line drawing, it is also an exercise in erasing the old artificial lines of Yalta and the cold war. And I look forward to erasing more lines. There is something odd about people in the West who already enjoy a NATO security guarantee telling those who do not have one that extending the guarantee would somehow create a new security problem.

In short, I am not especially impressed by the arguments of the opponents of enlargement. Their prescriptions are really a recipe for doing nothing, for postponing all key decisions. We must demand of them what their future vision of the alliance and the trans-Atlantic relationship is.

But this does underscore that we are going to have a debate in the Senate.

How can we win this debate and ensure successful ratification in the U.S. Senate? I'd like to share with you six commandments on NATO enlargement which, if followed, should help to ensure ratification.

First, show leadership. Leadership is key, above all, Presidential leadership. There is no substitute. This will be a national debate and the President must lead. He must also work closely with the leadership of the U.S. Senate. The sooner he starts this process, the better.

Leadership must not only come from the United States. It must come from Europe too and Germany in particular. And such leadership must be visible both within NATO and beyond. Let me give you one example. If the European Union falters in terms of its own plans for enlargement, it will make NATO enlargement more difficult to sell in the United States because it will be seen by Americans as a European failure to pull its fair share of the bargain.

Second, have a clear moral and political vision and rationale. Enlargement must be seen as the right thing to do. While NATO bureaucrats and diplomats may be consumed by the details of tactics and compromise communique language, what will be crucial in the public debate will be occupying the moral and political high ground. We will ask the opponents of enlargement to lay out their alternative vision—and we will see whose vision is more convincing.

Third, start with the strongest candidates and keep the door open. The enlargement of NATO will start with the strongest candidates for membership. But this does not mean that the alliance is drawing new lines or forgetting about those who, for whatever reasons, cannot be included in the first tranche. Those who are first have an obligation to ensure that stability be extended beyond their borders as well.

Fourth, know the costs and commitments—and who will bear them—in advance. This must be clear and known in advance. We need to understand the burdensharing arrangements before we assume the new commitments. The U.S. Senate will not ratify enlargement until it knows the costs and consequences for both the U.S. Armed Forces and the American taxpayer.

Talking about important details of defense planning issues should not be seen as militarizing the debate. Instead, it is simply prudent and responsible to sort out among ourselves just what these new commitments mean in practice and to develop plans and programs to ensure that NATO has the capabilities to carry them out. This is what alliances are all about.

Fifth, have a strategy for dealing with the have nots. The initial selection of members may be small. When another round of enlargement will take place may be uncertain. Thus, the need to have a clear strategy to underscore that enlargement will not produce a new Yalta. In some cases, the United States has a special relationship with countries that, at that moment, seem unlikely to be included in the first tranche.

The United States and Germany have a special responsibility toward the Baltic States. No U.S. President can enlarge NATO without having an adequate set of policies to sustain Baltic independence. The Baltic States may not be included in the first round of NATO enlargement. This underscores the need for an active policy of engagement with them. It is important that we make it clear that they will be full members if they meet the qualifications; that the door for eventual NATO membership for these countries remains open and that we will expand our cooperation with them in the interim period. Non-NATO countries such as Finland and Sweden should also be encouraged to expand their involvement in the region. Countries such as Germany should take the lead in trying to bring the Baltic countries into the European Union as soon as possible and, if they qualify, in the first tranche.

Sixth, realize the U.S. need for partners beyond Europe. While many Europeans do not want to acknowledge it, the reality is that there is a linkage between burdensharing arrangements within Europe and outside of it. As a U.S. Senator, it is easier for me to

argue the case for NATO's double enlargement to the American people than it is for NATO's eastward enlargement alone. Americans understand that we have vital interests in Europe and they are willing to do their share to ensure that the new Europe which is emerging remains stable. They understand a strategy that posits that we and the Europeans are in this together and that we will work together to defend shared interests—both in Europe and beyond. What they will not understand is an arrangement where the United States is asked to do more in terms of extending new security guarantees, and more in terms of budgetary commitments, in order to extend stability to Europe's eastern half—and at the same time be expected to carry, more or less on its own, the responsibility for defending common Western interests outside of Europe.

RUSSIA

This brings us to a discussion of Russia. We all know how important Russia's future is for the future of European and international security. But where does Russia fit into the vision of the trans-Atlantic relationship I have laid out? My vision of the alliance does not depend on the existence or possible emergence of a new Russian threat in the East. We do not want an alliance whose vitality and success depends on failure in Russia. Instead, we want a Russia that will successfully reform—and whose success at reform make it a more interesting and useful strategic partner for the alliance.

The United States and Europe have an enormous stake in the success of the reform process in Russia. A stable and reformed Russia can be an active partner in maintaining security in Europe, in resolving regional conflicts, and in fighting the spread of weapons of mass destruction. We wish to establish a strategic partnership with Russia that takes account of Russia's position in Europe, a partnership that could and should, lead to formalized relationship with the alliance.

Russia's place, in my vision, is clear. I do not see Russia as a candidate member of the alliance. Russia is simply too big, too different. No member of the alliance today or in the foreseeable future would be willing to extend an article 5 guarantee to the Russo-Chinese border. And the Russians—unlike the East Europeans—are not really interested in assuming the obligations and responsibilities that NATO membership entails. At the same time, Russia will inevitably be more than a mere neighbor of this new and enlarged alliance. We hope it will become a partner, indeed a country with which we have a privileged partnership.

The NATO I envision is one which guarantees stability in Central Europe, a stability which is just as much in Russia's interest as our own. The Russians should realize that enlargement is not directed against anyone, certainly not against them. Stabilizing democracy in Eastern Europe does not threaten democracy in Russia. Russia will be better off with Poland in NATO than outside of NATO. A Poland that is secure within NATO will be less anti-Russian and more interested in cooperation and bridge building. We cannot save reform in Russia by postponing or retarding reform in Eastern Europe.

The Alliance can and should have close strategic relations with Russia. NATO and Russia are allies in IFOR in Bosnia. We hope that this is not a one time affair but the start of a longer and more stable relationship. I hope to see the day when the border between an enlarged NATO and its Eastern neighbors, including Russia, are just as stable and secure as any others in Europe.

But it takes two to tango. Moscow has increasingly spoken out against enlargement, with some Russian commentators already bringing out their list of real or imagined countermeasures that they claim Moscow will have to take. Such talk is counterproductive.

I belong to those who not only supported NATO enlargement from the outset, but who believed that the Alliance should have moved sooner and more resolutely in enlarging. The Clinton administration, as well as the Alliance as a whole, opted for a slower approach than I would have preferred. And they did so in the hope that dealing with Moscow on the NATO enlargement issue would get easier over time as Russia came to understand the Alliance's true motivations.

But by now I think it is crystal clear that a policy of postponing key decisions has not made our lives easier. Some in Russia have misinterpreted Western patience as a sign of Alliance weakness and lack of resolve. Some Russians still believe that they can stop enlargement—and some of them are still tempted to try. As it has become increasingly clear that Russians do not support NATO enlargement, our policy increasingly looks to them like a kind of Chinese water torture. For several years, NATO has issued every couple of months a statement saying that it will enlarge, to which Moscow feels obliged to say that it opposes enlargement. When nothing happens, some observers in Moscow think that they have slowed or even stopped the NATO train.

It is too late now to go back and undo the policy decisions on timing. What is important now is that NATO not waver, that it stick to the agreed-upon timetable and move ahead with the initial decision on enlargement—irrespective of the outcome of the Russian elections.

CONCLUSIONS

Let me sum up.

There are many other factors that could yet shape the U.S. politics of NATO enlargement. If democratic reforms in the candidate states were to stall, the entire enlargement plan might be put on hold. It also makes some difference whom the next President appoints to key posts such as Secretary of State and Secretary of Defense. Overall, however, while ratification of new NATO members faces many obstacles and pitfalls, there is little evidence for the claim that it is politically infeasible.

The real tragedy would be if the Senate, in successfully encouraging the administration through legislation to proceed with the inclusion of new members in the Alliance, jeopardized or neglected the development of a bipartisan consensus and public support necessary to secure the 67 votes it will take in the Senate to ratify NATO enlargement.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LUGAR. Mr. President, on behalf of the leader, I ask unanimous consent that the previous consent agreement regarding controlled time be amended as follows: Senator COVERDELL, or his designee, be in control from 4 p.m. to 5 p.m.; Senator DASCHLE, or his designee, be in control of 60 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, parliamentary inquiry, if I might. It is my understanding that the hour from 4 to 5 has been designated to myself or my designee, is that correct?

The PRESIDING OFFICER. The Senator is correct. The time between 4 and 5 is to be under the control of the Senator from Georgia.

KEEPING CAMPAIGN PROMISES

Mr. COVERDELL. Mr. President, I am just going to make a very brief statement to begin this hour. I understand the Presiding Officer would like to comment. So if he will allow me, I will make an opening statement, and then I will relieve him in the Chair so that he might make the remarks he chooses.

Mr. President, I have always felt that there should be a relevance, a connection, a linkage between what a public policymaker contends or discusses in